



## ASSEMBLY MEMBER MIKE ENG

### **AB 756 – Public Contracts**

*Sponsors: Service Employees International Union*

### **FACT SHEET**

#### **SUMMARY**

This measure would ensure transparency in state contracts involving personnel by requiring departments to report monetary expenditures and associated staffing levels related to the use of all personal service contracts.

Expenditures and staffing levels associated with the use of civil service workers is routinely reported to the Legislature and is readily available to the public through the budget process each year. The same reporting requirements should apply for personal service and consulting contracts.

#### **THE PROPOSAL**

AB 756 requires the state to track and report costs for personal services in the same manner that it tracks wages and salaries for the state workforce. This measure would require state agencies to prepare an annual report, available on each agency's Internet Website and transfer the information electronically to the Legislature. This measure would allow the public to track how state government spends their taxpayer dollars.

#### **BACKGROUND**

Currently, California is spending almost \$3 million a day and over \$1 billion a year on costly Information Technology (IT) contracts that pay contract employees 2-3 times the amount it would cost to employ state workers. The state has 2,345 active IT contracts worth just over \$4 billion. By reducing our dependence on IT contractors and in-sourcing just a fraction, the state could save untold millions.

Last year SEIU Local 1000 estimated that the state could save \$100 million each year by in-sourcing a fraction of the work currently being performed by IT contractors. Their findings were consistent with research by the California Research Bureau, California State Teachers' Retirement System and the State Compensation Insurance Fund. These agencies estimated that the state could realize cost savings of between 32% and 84% by selectively eliminating IT contracts and bringing the work in-house.

Currently, the state of Alaska, Florida, Kansas, Illinois, Missouri and six other states allow the public to track how state government spends their taxpayer dollars. Most of these sites allow citizens to conduct a basic search for vendors and other recipients of state funds by the first part of the vendor's name. This funding accountability and transparency website would provide an opportunity for the Legislature to restore fiscal responsibility to the State government.

For more information on this bill please contact Dave Martin with the Office of Assemblymember Mike Eng at (916) 319-2049 / [Dave.Martin@asm.ca.gov](mailto:Dave.Martin@asm.ca.gov).